



**FEMA**

# Disaster News

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## **BE CAREFUL WHEN HIRING CONTRACTORS FOR DISASTER REPAIRS**

**WARWICK, R.I.** – Rhode Island residents who suffered damages from the severe storms and flooding that began March 12 should watch out for scam artists when hiring contractors to clean and repair property or remove debris, the Federal Emergency Management Agency warned.

“Unfortunately, in disaster situations, certain individuals are often ready to take advantage of the misfortunes of others,” said Gracia Szczech, FEMA federal coordinating officer.

“People should be especially alert,” she said, “for phone or door-to-door solicitors who hand out flyers and promise to speed up the insurance or building permit process, and those who ask for large cash deposits or advance payments in full.”

She added that some contractors may claim to be “FEMA certified,” when in fact FEMA neither certifies nor endorses any business for repairs.

Consumers should be wary of contractors who:

- Lack proper identification;
- Go door-to-door;
- Charge fees to put customers on a list or to fill out forms;
- Offer to increase the amount of your disaster claim – usually a sure sign of a scam;
- Ask for cash up front.

**Allegations of fraud should be directed to the Rhode Island State Police Financial Crimes Division at 401-444-1201 or to the Attorney General’s Consumer Protection Unit at 401-274-4400.**

Tips for hiring contractors include:

- Get a written estimate. Compare services and prices before making a final decision. Also, read the fine print. Some contractors charge a fee for a written estimate, which is often applied to the cost of subsequent repairs they make.

- Check references. Contractors should be willing to provide names of previous customers. Call several former customers who had similar work done to make sure they were satisfied with the job.
- Ask for proof of insurance. Make sure the contractor carries general liability insurance and workers' compensation. If the contractor is not insured, the homeowner may be liable for accidents that occur on the property.
- Use reliable, licensed contractors. Call your local Better Business Bureau (and other local sources) to inquire about a business before signing a contract.
- Insist on a written contract. A complete contract should state clearly all tasks to be performed, all associated costs and the payment schedule. Never sign a blank contract or one with blank spaces. Make sure a contract clearly states who will apply for the necessary permits or licenses. Have a lawyer review the contract if substantial costs are involved, and keep a copy for your records.
- Get guarantees in writing. Any guarantees made by the contractor should be written into the contract. The guarantee should state clearly what is guaranteed, who is responsible for the guarantee and how long the guarantee is valid.
- Obtain a local building permit, if required. Permits may be required for site work, including demolition and reconstruction. Contact your local government for permit information.
- Make final payments when the work is completed. Do not sign completion papers or make the final payment until the work is completed to your satisfaction. A reputable contractor will not threaten you or pressure you to sign if the job is not finished properly.
- Pay by check. Avoid on-the-spot cash payments. The safest route is to write a check to the contracting company. A reasonable down payment is 30 percent of the total cost of the project to be paid upon initial delivery of materials. Federal law gives consumers a three-day "cooling off" period for unsolicited door-to-door sales of more than \$25.
- If necessary, cancel a contract in the proper manner. This should be done within three business days of signing. Be sure to follow the procedures for cancellation that are set out in the contract. Send the notification by registered mail with a return receipt to be signed by the contractor.

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*FEMA's mission is to support our citizens and first responders and to ensure that as a nation we work together to build, sustain, and improve our capability to prepare for, protect against, respond to recover from, and mitigate all hazards.*

*Disaster recovery assistance is available without regard to race, color, religion, nationality, sex, age, disability, English proficiency or economic status. If you or someone you know has been discriminated against, call FEMA toll-free at 800-621-FEMA (3362). For TTY call 800-462-7585.*